



RANCHERS EXPLORATION AND DEVELOPMENT CORPORATION

Box 6217 / 1776 Montano Road, N.W. / Albuquerque, New Mexico 87197 / Telephone (505) 344-3542

January 25, 1980

State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1588 West North Temple
Salt Lake City, Utah 84116

ATTN: Ronald W. Daniels
Coordinator of Mined Land Development

RE: Surety Contract

Dear Ron:

In accordance with our conversations, enclosed is one copy of the Mined Land Reclamation Contract to which the corporate seal has been applied and which has been attested.

Very truly yours,

RANCHERS EXPLORATION AND
DEVELOPMENT CORPORATION

James M. Rosel
James M. Rosel
Assistant Vice President
and Assistant Secretary

JMR/nlp
Encl.

Sandy Escalante
Silver Mine
for Board Action
on 2/14/80
Please 2/15/80
date yesterday
and
prepare
final approval
+ get Order
(if done by
Denise) to
send with

RECEIVED
JAN 28 1980
DIVISION OF
OIL, GAS & MINING

MINED LANDS RECLAMATION CONTRACT

THIS CONTRACT, made and entered into this day of
1980, between RANCHERS EXPLORATION AND DEVELOPMENT
CORPORATION, a corporation duly authorized and existing under
and by virtue of the laws of the State of New Mexico, as party
of the first part, and hereinafter called the Operator, and the
BOARD OF OIL, GAS, AND MINING, duly authorized and existing by
virtue of the laws of the State of Utah, as party of the second
part, and hereinafter called the Board.

WITNESSETH:

WHEREAS, the Operator is the lessor and in possession of cer-
tain mining claims and/or leases known as the "Escalante" Silver
Mine, more particularly described in the Notice of Intent and
Reclamation Plan heretofore submitted, and

WHEREAS, the Operator did, in August of 1979, file with the
Division of Oil, Gas and Mining, a "Notice of Intention to Commence
Mining Operations" and a "Mining and Reclamation Plan" to secure
authorization to engage in mining operations in the State of Utah,
under the terms and provisions of the Mined Land Reclamation Act,
Section 40-8, UCA, 1953; and

WHEREAS, at the final cessation of mining operations, the
Operator is able and willing to reclaim the lands affected in
accordance with the approved mining and reclamation plan, the
Mined Land Reclamation Act and the rules and regulations pre-
viously adopted in accordance therewith; and

WHEREAS, the Board has considered the factual information and
recommendations provided by the staff of the Division of Oil, Gas,
and Mining as to the magnitude, type and costs of the approved
reclamation activities planned for the land affected; and

WHEREAS, the Board is cognizant of the nature, extent, dura-
tion of operations, the financial status of the Operator and its
capabilities of carrying out the planned work;

NOW, THEREFORE, for and in consideration of the mutual cove-
nants of the parties by each of the other made and herein contained,
the parties hereto agree as follows:

1. The Operator shall reclaim the land affected
in accordance with the approved Mining and
Reclamation Plan, the Mined Land Reclamation

Act, and the Rules and Regulations previously adopted in accordance therewith.

2. The Board, in lieu of the posting of a bond or other surety, accepts the corporate guarantee of the Operator to reclaim the land affected.

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this ____ day of _____, 1980.

RANCHERS EXPLORATION AND
DEVELOPMENT CORPORATION

ATTEST:

James M. Rosel
Assistant Secretary

By Herbert M. Campbell II
Vice President

(SEAL)

BOARD OF OIL, GAS, AND MINING

By C. R. Henderson
Chairman